



COMPANY: **Delta Apparel, Inc**  
COUNTRY: **El Salvador**  
ASSESSMENT DATE: **11/10/14**  
MONITOR: **FLA Assessor Team (Americas)**  
PRODUCTS: **Apparel**  
PROCESSES: **Other**  
NUMBER OF WORKERS: **1189**  
NUMBER OF WORKERS INTERVIEWED:  
ASSESSMENT NUMBER: **AA0000000560**

## **What's Included in this Report**

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# Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

## Glossary

**De minimis:** A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

**Facility performance:** how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

**Fair labor standards:** the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

**Employment life cycle:** all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

**Code violation:** failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

**Employment Functions:** The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

**Management functions:** violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

**Finding:** indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

### Finding type

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to

the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

**Local law or Code Requirement**: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

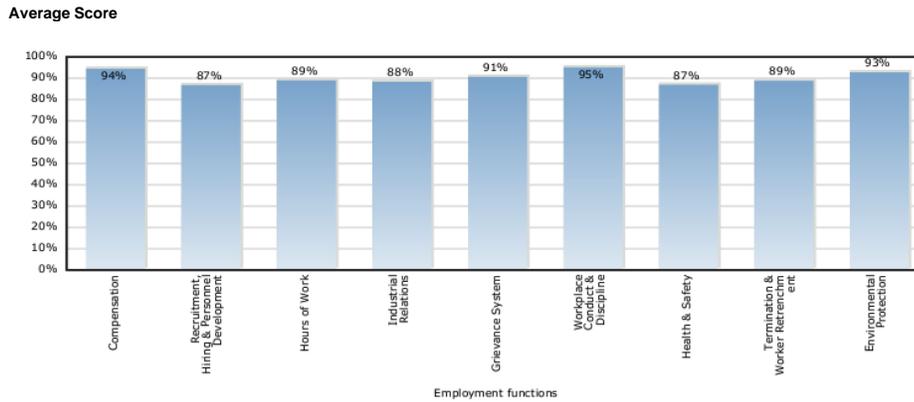
**Root causes**: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

**Company action plan**: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

# Factory Profile

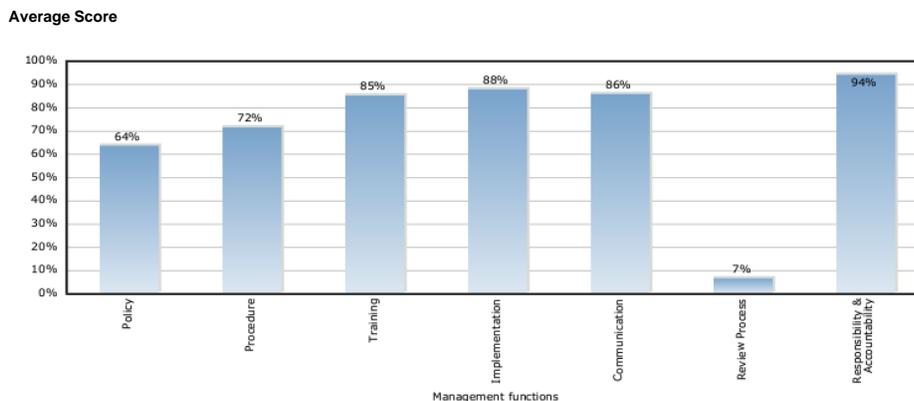
## Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



## Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



## Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	71.43%	83.33%	75%	83.25%	75%	83.33%	75%	80%	100%
Procedure	53.85%	100%	100%	50%	60%	83.33%	62.5%	78.13%	40%
Responsibility & Accountability	100%	100%	100%	66.67%	100%	100%	100%	89%	100%
Review Process	0%	0%	0%	0%	0%	0%	0%	0%	50%
Training	95.83%	66.67%	33.33%	0%	75%	100%	33.33%	98.57%	100%
Implementation	83.1%	93.62%	78.57%	90%	100%	100%	100%	84.43%	91.2%
Communication	66.67%	100%	75%	0%	100%	100%	66.67%	100%	100%

## Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Number of Violations	Violations
Employment Relationship	15	<ul style="list-style-type: none"> <li>General/Human Resource Management Systems</li> <li>Terms and Conditions/New Employee Orientation</li> <li>Terms and Conditions/Communication</li> <li>Terms and Conditions/Supervisor Training</li> <li>Administration of Compensation/Termination Payouts</li> <li>Administration of Fringe Benefits/Holidays, Leave, Legal Social Benefits and Bonuses</li> <li>Administration of Hours/Time Recording System</li> <li>Industrial Relations</li> <li>Work Rules and Discipline</li> <li>Skills Development/Training</li> <li>Skills Development/Management of Performance Reviews</li> <li>Recruitment and Hiring/Employment Decisions</li> <li>Skills Development/Promotion, Demotion and Job Reassignment</li> <li>Health, Safety, and Environmental Management System/Policies and Procedures</li> <li>Termination and Retrenchment/General Policies and Procedures</li> </ul>
Forced Labor	2	<ul style="list-style-type: none"> <li>Freedom of Movement/Workers Ability to Terminate</li> <li>Forced Overtime</li> </ul>
Hours of Work	6	<ul style="list-style-type: none"> <li>General Compliance Hours of Work</li> <li>Annual Leave</li> <li>Annual Leave/Wage Payments</li> <li>Rest Day</li> <li>Overtime/Calculation over Period Longer than One Week</li> <li>Forced Overtime/Exceptional Circumstances</li> </ul>
Health, Safety and Environment	6	<ul style="list-style-type: none"> <li>General Compliance Health, Safety, and Environment</li> <li>Protection Reproductive Health</li> <li>Ergonomics</li> <li>Permits and Certificates</li> <li>Evacuation Requirements and Procedure</li> <li>Chemical Management and Training</li> </ul>
Non-Discrimination	3	<ul style="list-style-type: none"> <li>General Compliance Nondiscrimination</li> <li>Recruitment and Employment Practices/Job Advertisements, Job Descriptions and Evaluation Policies</li> <li>Protection and Accommodation of Pregnant Workers and New Mothers</li> </ul>

## Findings and Action Plans

### FINDING NO.1

## RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. There are no written policies or procedures that encourage workers to participate in ongoing training to broaden their skills and advance their careers in the factory.
2. There are no written policies or procedures for conducting performance reviews that include the steps and process linked to job grading and promotion.
3. There are no written policies or procedures on promotion, demotion, or job reassignment.
4. Performance reviews for production positions are not documented on writing.
5. Gathered information revealed that some production workers from “Separación de cuellos” and “Hilo de Coser” departments are required to clean toilets; this task is not included in the employment contracts they have signed.

#### Local Law or Code Requirement

Labor Code, Article 23 section 3; FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.17.1, ER.28.1, ER.29.1, and ER.30.1)

### COMPANY ACTION PLANS

- 1) Factory will develop a Policy of continuous training and career plan 2) Factory will create a policy and procedure to conduct performance reviews, also will create a workers committee with the purpose of participating the creation and/or review of policies. 3) Factory will develop a policy and procedure for promotions, demotion or job reassignments 4) Factory will develop a procedure to document all performance evaluations 5) Factory will review the contracts of this group of workers and modify if necessary. Factory will provide appropriate training to all associates including supervisors and management on the newly created procedures and policies such training will be provided on a yearly basis.

**Action plan status:** Planned

**Planned completion date:** 08/28/15

## FINDING NO.2

## RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. Male workers comprise about 86% of the workforce, which is a clear indication of gender preference. Male workers predominantly fill jobs positions on the production floor, as these jobs are considered dangerous and arduous by the management, due to use of heavy industrial machinery and high temperatures of the working environment.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.3; Nondiscrimination Benchmarks ND.1 and ND.2)

### COMPANY ACTION PLANS

- 1) Factory has a non Discrimination Policy, also during the recruitment process does not discriminate neither during the hiring process. Factory will do appropriate efforts to create a balance on the number of males and females.

**Action plan status:** Planned

**Planned completion date:** 08/14/15

## FINDING NO.3

## COMPENSATION

## **FINDING TYPE:** Immediate Action Required

### **Finding Explanation**

1. Factory management has not made sufficient communication and training efforts to ensure that workers understand their compensation package, focusing on the applicable legal provisions for fringe benefits.
2. A records review found that some production workers only had 14 days of vacation last year, instead of the legally required 15 days. One vacation day has not been provided
3. The factory does not provide lactating workers who breastfeed their newborns a daily 1-hour paid break. Also, the factory has not designated an appropriate room for lactating women.

### **Local Law or Code Requirement**

Labor Code, Article 110; Law of Promotion, Protection and Support to Breastfeeding, Article 35; FLA Workplace Code (Employment Relationship Benchmarks ER.14, ER.15, and ER.22.1; Nondiscrimination Benchmark N.D.8.1; Hours of Work Benchmark HOW.11; Compensation Benchmarks C.1 and C.17.1.3)

### **Recommendations for Immediate Action**

1. Factory management is to provide all lactating workers with the daily 1-hour paid break to breastfeed their newborns.

## **COMPANY ACTION PLANS**

1. 1) Company will create a list of the benefits package and will disseminate to associates at all levels via bulletin boards, also to the new hires will receive a training during the induction process about the benefit package offered by the Company 2) Company will review the vacation period granted to the associates to ensure that all workers enjoy the legally required number of vacation days 3) Factory will develop breastfeeding policy including the paid break. Also an appropriate room for lactating women is already in use.

**Action plan status:** In Progress

**Planned completion date:** 06/30/15

**Progress update:** 07/28/15 : Company is developing the breastfeeding policy, is in the process of reviewing vacation period of all associates.

## **FINDING NO.4**

## **HOURS OF WORK**

## **FINDING TYPE:** Immediate Action Required

### **Finding Explanation**

1. Despite the existence of a document titled "Policy of Work", which includes the factory's shifts and some guidelines related to overtime, there is no integrated hours of work policy for managing all working hours and leave records in both normal and exceptional circumstances.
2. The factory operates three different production shifts, but the Ministry of Labor has not authorized any of them.
3. Night shift (known as Shift C) includes overtime as part of the production planning; workers in this shift normally worked for a fixed 77.5 hours a week, which considerably exceeds the FLA weekly limit of 60 hours. This is not voluntary overtime. Overtime is considered part of the regular shift; instead of being consensual and occasional, as the local law and FLA Workplace Code require.
4. Between the end of shift A (morning shift) and the beginning of shift C (night shift), there are not 24 consecutive hours of rest.
5. There is a pregnant woman who was working in the night shift, with a work schedule of 10.5 consecutive hours.

### **Local Law or Code Requirement**

Labor Code, Articles 110, 170 and 173; FLA Workplace Code (Employment Relationship Benchmarks ER.14, ER.23.1; Nondiscrimination Benchmark N.D.8.1; Hours of Work Benchmarks HOW.1.1, HOW.1.3, HOW.2, HOW.7, HOW.8.2, and HOW.8.3)

### **Recommendations for Immediate Action**

1. Factory management is to provide all workers with at least 24 consecutive hours of rest for every 7-day period and arrange shifts accordingly.
2. Ensure that the working hours for pregnant workers are within legal limits.
3. Ensure that the overtime work is voluntary.
4. FLA affiliate Company's Sourcing and Social Compliance teams should: implement FLA Principles of Fair Labor and Responsible Sourcing, and accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
  1. How to provide better order forecasts to the factories;
  2. Possible workshops/consultancy for the factory on how to improve productivity/quality;
  3. Clear guidelines on how to extend shipment deadlines in case of contingencies;
  4. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
  5. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
  6. Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

## COMPANY ACTION PLANS

1. 1) Company will develop a Work Hours policy this policy will be communicated to all levels of the organization 2) Agreements of work schedules will be signed with the associates to ensure that schedules are accepted and not exceed legal maximum of worked hours, also Company will review with their legal advisor the approved schedules by the Ministry of Labor and will do the appropriate in order to be in compliance 3 y 4) Factory will review all work schedules and analyze production plans 5) Company will include in the newly created Work hours policy a section stating that no pregnant women can work in the night shift

**Action plan status:** In Progress

**Planned completion date:** 07/31/15

**Progress update:** 07/28/15 : Factory is in the process of developing the work hours policy and signing agreements with associates

## FINDING NO.5

### TERMINATION & RETRENCHMENT

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. Management does not have written policies and procedures on worker retrenchment.
2. There is no procedure for determining termination payouts. This procedure should include methods for the correct assessment of payouts for all modes of Termination & Retrenchment, and should account for all legal requirements.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.17.1, and ER.19.1)

## COMPANY ACTION PLANS

1. 1, 2) Factory will develop a policy and procedures for worker retrenchment including method for determining terminations pay outs for all models of terminations and retrenchment. Factory will ensure that workers at all levels receive appropriate training on the newly created policy and procedure

**Action plan status:** Planned

**Planned completion date:** 07/31/15

## FINDING NO.6

## INDUSTRIAL RELATIONS

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. The factory does not have Industrial Relations policies or procedures.
2. There is no formal dialogue mechanism with workers: worker committees, designated space for worker meetings, etc.
3. Management has not formally assigned any staff member responsible for managing industrial relations in all areas or departments in the factory.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25.2)

### COMPANY ACTION PLANS

- 1) Company will develop an Industrial Relations Policy 2) in these policies we will specify what will be the procedure to dialogue 3) Management will assign a member of staff responsible for managing industrial relations. Also the Company will communicate and train all workers on the newly developed policy on industrial relations and dialogue practices

**Action plan status:** Planned

**Planned completion date:** 08/20/15

## FINDING NO.7

### WORKPLACE CONDUCT & DISCIPLINE

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. Workers' right to appeal disciplinary actions is not properly regulated, since there is no procedure to implement an appeal process.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27.4)

### COMPANY ACTION PLANS

1. Factory has a procedure in place to appeal in case of a disciplinary action, this procedure will be put in writing also all the associates will be trained on the appeal process.

**Action plan status:** Planned

**Planned completion date:** 07/16/15

## FINDING NO.8

### GRIEVANCE SYSTEM

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. There are no written grievance policies or procedures that include instructions for suggestion boxes, direct settlement between workers and supervisors, or senior management review.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25.3)

## COMPANY ACTION PLANS

- 1) Factory will develop a grievance policy which will include instructions for existing suggestion boxes as well as communication channels. The Company will train all employees on the policy and procedures.

**Action plan status:** Planned

**Planned completion date:** 08/28/15

## FINDING NO.9

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. The health and safety policy does not include a commitment to comply with local law.
2. The factory's Health, Safety and Environment (HSE) procedures do not have the following elements, which are required by FLA Workplace Code: a) measures to protect workers' reproductive health, b) methods for workers to raise HSE concerns, and c) protection from retaliation for workers who raise such concerns.
3. The factory's risk analysis does not include ergonomic risks, and control measures (e.g., seating and standing arrangements, reach required to obtain tools, workstations designed and set-up in such a manner as to minimize bodily strains). Also, the factory does not provide adjustable workstations.

### Local Law or Code Requirement

General Law on Risks Prevention in the Workplace, Article 8, Section 2 and Article 30; Salvadoran General Regulations on Risks Prevention in the Workplace, Article 179; FLA Workplace Code (Employment Relationship Benchmarks ER.31.1, ER.31.2.4, and ER.31.2.6; Nondiscrimination Benchmark ND.8.1; Health, Safety & Environment Benchmarks HSE.1, HSE.12, and HSE.17.1)

## COMPANY ACTION PLANS

- 1,2) Factory will include in the Health and Safety Policy the commitment to comply with local law, also will include in the H&S procedures a) measures to protect workers reproductive health, b) methods to raise concerns as well as protection from retaliation 3) Factory will include in the Job Safety Analysis ergonomic risk. Company will also train all workers on the revised policy and newly develop procedures.

**Action plan status:** In Progress

**Planned completion date:** 06/30/15

**Progress update:** 07/28/15 : Factory is updating the H&S policy and working on including in the JSA the ergonomic risk of the activity

## FINDING NO.10

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. Some chemical containers at the Dyeing and Exportadora buildings do not have labels. Additionally, most of the chemical containers at both buildings have labels in English, which is not the local workers' language.
2. One eyewash station in the Dyeing department has no protection to prevent contamination (eyewash dust covers).
3. Some chemical containers in the Dyeing department do not have secondary containment, and there is no spillage kit

- available and ready to use in a nearby area.
- 4. Two fire extinguishers at the chemical storage room had not received the required monthly inspection. Another fire extinguisher in the surveillance room, outside of the chemical storage room, did not have the legally required maintenance card.
- 5. The chemical storage room does not have a nearby source of water.

**Local Law or Code Requirement**

General Law on Risks Prevention in the Workplace, Article 52; Salvadoran General Regulations on Risks Prevention in the Workplace, Articles 120, 200 Section D, Article 201 Section B, Article 204 Section 2, and Article 222; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.6.1, HSE.9.1, and HSE.9.1.1)

**Recommendations for Immediate Action**

- 1. Label all chemical containers at the Dyeing and Exportadora buildings in the workers' local language.
- 2. Retrofit all eyewash stations at the Dyeing Department with eyewash dust covers.
- 3. Install secondary containment for chemicals at the Dyeing Department, and ensure that spillage kit is available and ready to use at all times.
- 4. Conduct ongoing inspection for all fire extinguishers at the chemical storage room, and attach the relevant maintenance cards.
- 5. Install a source of water (e.g., faucet, emergency decontamination shower) near the chemical storage room.

**COMPANY ACTION PLANS**

- 1. 1) Factory will label all chemical containers and will ensure that all labels are in local language. Also will develop a procedure to ensure the appropriate labeling. 2) Factory will ensure that eye wash station at Dyeing has appropriate dust covers. 3) At the dyeing department factory will ensure that all chemical containers have appropriate secondary containers also will provide a spillage kit at the area 4) Factory will ensure that all fire extinguisher have the monthly review and maintenance card. 5) Eye wash station and safety shower will be installed. In order to prevent recurrence Health and Safety staff will ensure compliance with all applicable requirements on chemical management through periodic reviews

<b>Action plan status:</b>	In Progress
<b>Planned completion date:</b>	07/15/15
<b>Progress update:</b>	07/28/15 : Factory install dust covers on the eye wash station at dyeing area. All containers have already secondary containers in place and the spillage kit was placed in the area. Factory extinguishers have the monthly inspections and maintenance cards. Eye wash station was installed

**FINDING NO.11**

**HEALTH & SAFETY**

**FINDING TYPE: Immediate Action Required**

**Finding Explanation**

- 1. Two external service providers in charge of preparing food do not have the legally required health permit.
- 2. The factory has not implemented a hearing protection program that includes pre-hire and on-the-job audiometric tests in order to protect all workers exposed to noise levels higher than 85 dB.
- 3. Most of the forklifts are in bad condition; they were missing safety devices such as convex mirrors, seat belts, and fire extinguishers. Also, the tires were worn, increasing the risk of accidents.

**Local Law or Code Requirement**

Health Code, Article 101; General Law on Risks Prevention in the Workplace, Article 8 Section 6; Salvadoran General Regulations on Risks Prevention in the Workplace, Article 163 Sections 7 and 8; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.14.1)

**Recommendations for Immediate Action**

- 1. Require a health permit for the external service provider staff in charge of preparing food.

2. Install all safety devices on the forklifts, including convex mirrors, seat belts, and fire extinguishers, and to consider replacing the worn tires.

## COMPANY ACTION PLANS

- 1) Cafeteria contractors initiated the procedure for requesting the health permit. 2) Factory will develop a hearing protection program which will include audiometric testing 3) Factory will work on a maintenance program for forklifts and will ensure that good conditions on the forklifts will be maintained.

**Action plan status:** In Progress

**Planned completion date:** 07/31/15

**Progress update:** 07/28/15 : Cafeteria contractors have their health permits ready

## FINDING NO.12

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

The following fire safety issues were found at the Exportadora Building:

1. The alarm system is not centralized.
2. The alarm is not loud enough to be heard in all areas of the factory; in addition, the system does not include warning lights.
3. Fire extinguisher #18 is empty, and there are defective hoses on extinguishers #20C and #43. Also, access to fire extinguisher #29 is blocked.
4. Electrical panels do not have "restricted access" signs.
5. An electrical panel near fire extinguisher #6 is blocked.
6. Floor arrows indicating the nearest emergency exit are fading throughout the building.
7. Emergency lights #13, 20, 24, 26 are broken.
8. There is a "fire extinguisher" sign posted where there is no fire extinguisher.

The following fire safety issues were found at the Dyeing building:

1. Emergency lights in the production floor and the main offices are broken. In the shipping area, another emergency light did not turn on when tested.
2. Arrows on the floor indicating the nearest emergency exit are fading.
3. Some emergency lights are not numbered.
4. A fire extinguisher is mounted too high (more than 1.5m).
5. An eye wash station is out of order.
6. An emergency fire hose was rolled up the wrong way.

##### Local Law or Code Requirement

Salvadoran General Regulations on Risks Prevention in the Workplace, Articles 78 Section 1, Article 103, Article 117, Article 121, Article 124; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5.1, and HSE.6.1)

##### Recommendations for Immediate Action

1. Install a centralized alarm system, and ensure that it is loud enough so that it can be heard in all relevant production areas and administrative offices.
2. Improve the emergency system by installing warning lights throughout the factory.
3. Replace defective fire extinguishers. Ensure that all fire extinguishers have the correct pressure, and have proper hoses.
4. Ensure that all electrical panels and fire extinguishers are not blocked.
5. Post "restricted access" signs at all electrical panels.
6. Mark evacuation routes on the floor in all areas of the production floor.
7. Replace all broken emergency lights, and ensure that all lights are in good working order and are numbered.
8. Remove the "fire extinguisher" sign where there is no extinguisher.
9. Move the fire extinguisher to a height that meets the legal requirements (no more than 1.5 meters).
10. Replace the broken eyewash station.
11. Ensure all fire hoses are rolled up the correct way.

## COMPANY ACTION PLANS

1. 1,2) Factory is evaluating the alarm system as well as the areas where warning lights must be placed in order to be heard in all areas of the facility, also will ensure that alarm system is centralized. 3) Factory will ensure that all fire extinguishers are full and correct the hoses 4) Factory will implement a plant review to ensure that no electrical panels or fire extinguishers are blocked 5) Factory will post restricted access signs to electrical panels 6) Factory will place signs on the floor indicating evacuation routes 7) Factory will replace all broken emergency lights and will implement a review also will number all lights 8) Factory will remove signs where no extinguishers exist 9) Factory will move all fire extinguishers that do not meet regulations on high 10) Factory will replace broken eye wash station 11) Factory will ensure that fire hoses are rolled correctly. In order to prevent recurrence Health and Safety Staff in charge of conducting periodic monitoring will ensure compliance with all applicable requirements on fire safety.

**Action plan status:** In Progress

**Planned completion date:** 08/29/15

**Progress update:** 07/28/15 : Emergency lights were replaced. Extinguishers signs were removed. Factory relocated the extinguishers that did not meet the regulations on high. Factory rolled up correctly the hoses.

## FINDING NO.13

### TRAINING (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. There is no ongoing training for workers on some of the Employment Functions: Hours of Work, Termination & Retrenchment, and Industrial Relations.
2. The factory does not provide supervisors with training on policies, procedures and applicable legal provisions for some Employment Functions, specifically: Personnel Development, Hours of Work, Termination & Retrenchment, and Industrial Relations.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.1, ER.15.2, ER.17.1, and ER.17.3).

## COMPANY ACTION PLANS

1. 1,2) Factory will develop the policies for the employment functions: Hours of work, termination and retrenchment and industrial relations, will also train employees at all levels of the organization including supervisors and key managers on the newly created policies, such training will be provided on a yearly basis.

**Action plan status:** Planned

**Planned completion date:** 03/31/16

## FINDING NO.14

### COMMUNICATION (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. For some Employment Functions (Personnel Development, Retrenchment, and Industrial Relations) the factory does not communicate its policies and procedures to the general workforce at all. In the case of other Employment Functions, such as Hours of Work, there have been sporadic efforts at communication, but it is not systematic and does not cover the entire

workforce.

### **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.16.1, ER.25.3.2, ER.27.3, and ER.32.5)

## **COMPANY ACTION PLANS**

1. Company will communicate its newly created policies including: personnel development, retrenchment, work hours and industrial relations to all their employees. The communication will be provided on a yearly basis and through different channels.

**Action plan status:** Planned

**Planned completion date:** 03/31/16

## **FINDING NO.15**

### **REVIEW PROCESS (MACRO)**

**FINDING TYPE:** Sustainable Improvement Required

#### **Finding Explanation**

1. Management does not conduct periodic reviews or updates based on the FLA Workplace Code for its internal policies or procedures for: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline, Health, Safety & Environment. The factory does not have any policies for Hours of Work, Industrial Relations, or Grievance System; hence, there is no review process.

### **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.30)

## **COMPANY ACTION PLANS**

1. Factory will develop a policy and procedure to establish yearly reviews or at any time if the legal framework suffers a change of all its policies and procedures based on FLA workplace code and benchmarks including: recruitment, hiring and personnel development, termination and retrenchment, workplace conduct and discipline, health, safety and environment, as well as hours of work, industrial relations and grievance system.

**Action plan status:** Planned

**Planned completion date:** 07/31/15

## **FINDING NO.16**

### **WORKER INTEGRATION (MACRO)**

**FINDING TYPE:** Sustainable Improvement Required

#### **Finding Explanation**

1. The worker integration component is missing from all Employment Functions. This indicates that the factory has not established procedures to receive worker input/feedback on the creation, implementation, and revision of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes.

### **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

## **COMPANY ACTION PLANS**

1. Company will develop a procedure to receive workers input/feedback on the creation, implementation and revision of its policies and procedures. This procedure will be communicated to all employees at the organization including supervisors and key managers.

**Action plan status:** Planned

**Planned completion date:** 08/28/15

## **FINDING NO.17**

### **HARASSMENT OR ABUSE**

**FINDING TYPE:** Sustainable Improvement Required

#### **Finding Explanation**

1. Factory has not developed a legally required program to prevent of sexual harassment.

#### **Local Law or Code Requirement**

General Law on Risks Prevention in the Workplace, Article 8, Section 10, FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

### **COMPANY ACTION PLANS**

1. Company will develop a program to prevent sexual harassment also will designate an appropriate person to be in charge of the sexual harassment program, such program will be communicated to all employees.

**Action plan status:** Planned

**Planned completion date:** 08/28/15